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C O N F I D E N T I A L TEGUCIGALPA 000610

SIPDIS

STATE FOR A/S TOM SHANNON

E.O. 12958: DECL: 07/16/2019 TAGS: PGOV PREL KDEM HO

SUBJECT: AMBASSADOR'S JULY 16 CONVERSATION WITH PRESIDENT

ARIAS

REF: A. TEGUCIGALPA 596

1B. TEGUCIGALPA 593
1C. TEGUCIGALPA 516

Classified By: Ambassador Hugo Llorens for reasons 1.4 (b) and (d)

- 11. (C) Summary: Arias stressed that substantive progress needed to made during Saturday's talks in San Jose. Key South American countries such as Argentina and Brazil were not satisfied with progress thus far and were pressing SYG Insulza to re-insert himself into the process. Pressure from the OAS together with Zelaya's incendiary statements had put Arias in a very difficult position. Arias said he was still committed to the process, but positive progress this weekend was critical if he were to continue to be a strong mediator. The Ambassador reaffirmed U.S. support for the Arias process. End Summary.
- 12. (U) Costa Rican President Oscar Arias called the Ambassador July 16 to discuss preparations for the July 18 discussions to take place in San Jose between President Zelaya and de facto regime President Micheletti on restoring the constitutional order following the June 28 coup in Honduras.

The Chavez Factor

13. (C) Arias noted his concern about Zelaya's recent populist and inflammatory rhetoric, saying it was complicating efforts to create a constructive atmosphere in advance of the talks. However, Arias understood Zelaya's predicament. Venezuela was not only providing Zelaya with a plane but also paying for his expenses and likely paying supporters in Honduras to keep up the protests. Chavez was also playing an important role in keeping up Zelaya's morale as the crisis wears on. (Comment: Arias evaluation is consistent with embassy's evaluation of Chavez' continued influence over Zelaya. End Comment.)

Embassy Support for Talks

14. (C) The Ambassador agreed that progress this weekend was critical. He noted that despite limitations on contact with regime officials, Embassy officials have been reaching out to key players in the community and urging them to press the de facto regime to be ready to engage in serious talks in San

- Jose. In the past week we have reached out to key players including National and Liberal Party leaders (including presidential candidates Elvin Santos and Pepe Lobo). We are also in close touch with former President Carlos Flores and unofficial Micheletti advisor and commission member Arturo Corrales and will continue our outreach with senior business leaders and church officials.
- ¶5. (C) Arias reiterated his gratitude for U.S. support for his mediation efforts and noted that our engagement was important in order to soften Micheletti resistance to Zelaya's return. He encouraged continued USG outreach to regime members, noting in particular commission members Carlos Lopez Contreras (de fact regime Foreign Minister), Vilma Morales (former Chief Justice) and Mauricio Villeda (Presidential candidate Santos' former stand-in). Arias encouraged the Ambassador to note the desire of key South American nations such as Brazil, Argentina and Bolivia to take part in negotiating a solution. Micheletti's regime would achieve far better terms under the Arias process than it would if these countries enter negotiations.
- 16. (C) Arias noted he had followed the Ambassador's advice to call Carlos Flores. Flores had been extremely supportive and volunteered his good offices in helping to bring about a settlement. Arias thought Flores and his "criollo channel" would play a pivotal role in any solution.

Bottom Line for Next Round of Negotiations

17. (C) Arias said the goal for this weekend's negotiations

should be to convince the Micheletti regime to make the political decision to allow Zelaya's conditional return and reinstatement. In the absence of this political decision, the minimum required to declare the talks successful would be for both sides to discuss hypothetically what requirements and conditions would be necessary for Zelaya's return. The parties should, at a minimum, agree to discuss directly some of the ideas that have been raised informally, such as political amnesty, a national unity government, separation the armed forces from presidential control and a truth commission. Agreement on some of these issues could provide a framework upon which to build and form a basis for continuing discussions. Without substantive progress on these issues, it would be difficult to sustain the mediation effort.

18. (C) Arias and the Ambassador also discussed how to guarantee any negotiated agreement. Many in Honduras fear Zelaya would agree to substantial conditions to return to power, but then not abide by them once he was back in office. Arias said one option would be a verification mission, perhaps created by an OAS resolution, that would comprise eminent Hondurans and international luminaries. The mission would be charged with monitoring compliance of the agreement by all sides and would be empowered to take measures to restore the constitutional order should violations occur. The Ambassador agreed to provide Arias with some names of respected Hondurans as potential candidates for the verification mission.